

This page is a reference page used to track documents internally for the Division of Oil, Gas and Mining

Mine Permit Number 5102310060 Mine Name Milehigh #1 Mine
Operator William Chirnside Date Sent February 15 2012
TO _____ FROM _____

☐ CONFIDENTIAL ☒ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE
☐ MULTIPUL DOCUMENT TRACKING SHEET ☐ NEW APPROVED NOI
☐ AMENDMENT ☐ OTHER _____

Description

YEAR-Record Number

☐ NOI ☐ Incoming ☒ Outgoing ☐ Internal ☐ Superceded
Notice of File Closure and Release of Reclamation Surety 2012-02152012

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded
Bond File 2012-62452012

CONFIDENTIAL

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded
Bond File 2012-02152012

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ TEXT/ 81/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: _____

CC: _____

50230060

110030068

Account Number:
Account Name: UST - OGM - William Chirside
Tran #: 17838575
Admin Name: Raylyn Daniel - UST 801-844-8523
Date: 01/30/2012

This check constitutes payment of the following:

Escrow Disbursements
final release of acct

Paid For:

Amount: **\$1,525.71**

110030068

Payee:

OGM - William Chirside
c/o UST
350 N State Street Ste 180
PO Box 142315
Salt Lake City UT 84114-2315

HARLAND CLARKE M17873 11346384

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD TO LIGHT TO VIEW

OFFICIAL CHECK

110030068

Zions First National Bank
Salt Lake City, Utah
801-844-7089

UST - OGM - William Chirside

Trust Account

1/30/2012

\$1,525.71*

One Thousand Five Hundred Twenty Five Dollars & 71/100

Pay to the Order Of:

OGM - William Chirside
c/o UST
350 N State Street Ste 180
PO Box 142315
Salt Lake City UT 84114-2315





EDWARD T. ALTER, CPA
STATE TREASURER

STATE OF UTAH

OFFICE OF STATE TREASURER
E315 STATE CAPITOL COMPLEX
P. O. BOX 142315
SALT LAKE CITY, UTAH 84114-2315

TEL: (801) 538-1042
FAX: (801) 538-1465
TDD: (801) 538-1042

RICHARD K. ELLIS
CHIEF DEPUTY STATE TREASURER

CHRISTINE M. BRANDT
STATE INVESTMENT OFFICER

July 11, 2007

Ms. Beth Ericksen
Division of Oil, Gas & Mining
1594 W North Temple, Suite 1210
PO Box 145801
Salt Lake City, UT 84114

Dear Ms. Ericksen:

I hereby certify that as of June 29, 2007, William Chirnside has deposited with the Utah State Treasurer cash or securities valued at \$1,500.00 and described as follows:

Interest bearing escrow account ; held at Zions First National Bank

The above described securities have been deposited and assigned to the Utah State Treasurer as a Reclamation Surety as required by Section 40-8-14 Utah Code Annotated, and will be held by the Utah State Treasurer until release is requested by the Division of Oil, Gas & Mining.

Sincerely,

Coleen Hackwell
Financial Analyst

☒ APPROVED

Attachment A
S/023/060
Milehigh 1

Cash RECEIPT

Date 6/20/07 **MINERALS BOND** \$1,500.00

*check
accounting
6/14/07
MP*

| Amounts | |
|---------------|---------------------------|
| Permit Number | <u>6/023/060</u> |
| Operator | <u>Chirnside, William</u> |
| Received by | <u>Kristina Pearson</u> |
| Signature | <u>[Signature]</u> |

I confirm the dollar amount of this check is correct

THIS DOCUMENT HAS AN ARTIFICIAL WATERMARK PRINTED ON THE BACK. ABSENCE OF THIS FEATURE WILL INDICATE A COPY.



credit union of DENVER

9005 W. Alameda Place
P.O. Box 281420
Littlewood, CO 80120-9420 (303) 234-1700

OFFICIAL CHECK

25-1554
440

Issued By: MoneyGram Payment Systems, Inc.
PO Box 9476, Minneapolis, MN 55480
Drawn: Huntington National Bank
Columbus, OH

5053686759

DATE
05/31/07

PAY ONE THOUSAND FIVE HUNDRED AND 00/100 DOLLARS

\$1,500.00

TO THE ORDER OF

** STATE OF UTAH **
RE: WILLIAM CHIRNSIDE

Negotiable within 90 days

DRAWER: Credit Union of Denver



CREDIT UNION OF DENVER

☒ **APPROVED**

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

RECEIVED

JUN 04 2007

---ooOoo---

SMALL MINE RECLAMATION CONTRACT

DIV. OF OIL, GAS & MINING

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between **Chirnside, William** the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. **S/023/060** which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:
 - A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and

 **APPROVED**

workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.
- 3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
 - 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
 - 5. If the Surety expressly provides for cancellation or termination for non-renewal:
 - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
 - B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety

for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.

12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.

The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

William Chirnside
Operator Name

By _____
Authorized Officer (Typed or Printed)

Authorized Officer - Position

William Chirnside May 31, 2007
Officer's Signature Date

STATE OF Colorado)
COUNTY OF Jefferson) ss:

On the 31st day of May, 2007, William Chirnside personally appeared before me, who being by me duly sworn did say that he/she is an OWNER/OPERATOR (owner, officer, director, partner, agent or other (specify)) of the Operator Wilehigh Mine # 1 and duly acknowledged that said instrument was signed on behalf of said Operator by authority of its bylaws, a resolution of its board of directors or as may otherwise be required to execute the same with full authority and to be bound hereby.

Jane Russick-Smith
Notary Public
Residing at 9305 W. Alameda Ave., Lakewood, CO 80226
February 2, 2009
My Commission Expires:



☒ APPROVED

DIVISION OF OIL, GAS AND MINING:

By John R. Baza
John R. Baza, Director

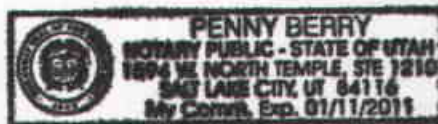
Date 6/25/07

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 25 day of June, 2007, John R. Baza
personally appeared before me, who being duly sworn did say that he, the said
John R. Baza is the Director of the Division of Oil, Gas and Mining,
Department of Natural Resources, State of Utah, and he duly acknowledged to me that
he executed the foregoing document by authority of law on behalf of the State of Utah.

Penny Berry
Notary Public
Residing at: Salt Lake

1/11/2011
My Commission Expires:



FACT SHEET

Commodity: Pink Topaz

Mine Name: Milehigh 1

County: Juab

Disturbed Acres: 5 (five)

Operator Name: Chirnside, William

Operator address: 2157 S COLE CT LAKEWOOD CO 80228-4610

Operator telephone: (303) 989-8748

Operator fax: none

Operator email: billdozer@ipws.com

Contact: William Chirnside

Surety Type: Cash

Held by (Bank/BLM): ~~Bank~~ \$500.00

Added **Surety Amount:** \$ 1,500.00

Surety Account Number: _____

UTU and/or ML number: UT4-075870

Escalation Year: _____

Tax ID or Social Security (for cash only): _____



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 18, 2010

William Chirnside
2157 South Cole Drive
Lakewood, Colorado 80228

Subject: Requirements for Reclamation Cost Estimate, William Chirnside, Milehigh #1 Mine, S/023/060, Juab County, Utah

Dear Mr. Chirnside:

The Division of Oil, Gas and Mining has reviewed the reclamation surety for the Milehigh #1 and determined that the amount is inadequate to ensure reclamation in the event of bond forfeiture, but there is little enough disturbance that the Division and the Bureau of Land Management would be willing to release the current surety (\$1500.00) if you decide not to conduct future mining operations.

No later than November 15, 2010, please inform the Division which of these options you would like to pursue, i.e. submit additional bond as discussed below or to discontinue mining operations.

If you decide to continue mining, the reclamation surety needs to be increased to \$7400.00 for a three-year escalation or \$7500.00 for a five-year escalation. These amounts are based on average reclamation costs per acre. The bond can be increased by posting additional cash (\$5900.00 or \$6000.00) or by submitting a letter of credit, certificate of deposit, or surety bond for either the increased or the total amount. Please contact the Division's bonding coordinator, Penny Berry, at 801-538-5291 if you decide to pursue this course.

Enclosed with this letter is an application for site and/or bond release. If you decide not to increase the reclamation surety, please submit this form. In this case, the file would be closed, and to recommence mining operations, you would need to file a new notice of intention and reclamation surety.

Thank you for your cooperation. Please contact me at 801-538-5261 or Wayne Western at 801-538-5263 if you have questions about this letter.

Sincerely,

Paul B. Baker
Mining Program Manager

PBB:whw:pb
cc: Jerry.Mansfield@BLM.gov
P:\GROUPS\MINERALS\WP\M023-Juab\S0230060-Milehigh\final\escalate-10142010.doc





JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

Beth

May 23, 2007

William Churnside
2157 South Cole Drive
Lakewood, Colo. 80228

Subject: Acceptance of Amended Notice and Request for Reclamation Surety and Reclamation Contract, William Churnside, Milehigh #1, S/023/060, Task #1817, Juab County, Utah

Dear Mr. Churnside:

On May 2, 2007 the Division received an amended notice for the Milehigh #1, Notice of Intention to Conduct Mining, file #S/023/060. The Division accepts your amended notice and requests that you complete the following items.

Right now, the amount of surety/bond that is currently posted with BLM does not correspond with the information in your amended NOI. Based on the information in the amended NOI, the Division has determined that you must post reclamation surety in the amount of \$2,000. The Division realizes that you have stated that \$500.00 is posted with the Bureau of Land Management. Please contact Ms. Beth Ericksen at 801-538-5321 to obtain the necessary guidance and paperwork to complete the bonding process. The Reclamation Contract has not been received and needs to be completed, signed and returned to the Division. The fact sheet will be amended to reflect < 1 acre of disturbance.

If you choose not to amend your NOI we will expect the above stated amount to be filed with the Division within 30 days.

If you have questions or concerns regarding this letter, please contact me at (801) 538-5325 or Tom Munson at 538-5321. Thank you for your help in completing this very important regulatory requirement.

Sincerely,

Susan White
Permit Supervisor
Minerals Regulatory Program

SW:tm;pb
cc: Beth Ericksen
Jerry_Mansfield@blm.gov
opie_Abeyta@blm.gov
P:\GROUPS\MINERALS\WP\M023-Juab\S0230060-Milehigh\final\apprvl-a-deficient.doc



Beth



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

April 27, 2007

Mr. William Chirnside
2157 South Cole Ct.
Lakewood, CO 80228-4610

Subject: Requirement to Submit Reclamation Surety, William Chirnside, Milehigh 1, S0230060, Juab County, Utah

Dear Mr. Chirnside:

In early March the reclamation contract for this site was emailed to you. To date, this completed signed and notarized contract has not been received by the Division. In addition, a copy of the surety in the amount of \$500.00 that is administered by the BLM has not been received.

Please submit these documents to the Division immediately. The reclamation contract is enclosed for your convenience.

Failure to complete this requirement will result in a Cessation Order being issued in accordance with Utah Administrative Code R647-6-102. A civil penalty will be assessed which could be as high as \$750 per day of non-compliance. We hope to avoid this situation. Please contact us and work with us as soon as possible to change this situation.

If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Permit Supervisor

DRH/pb
#2 Fed Ex
enc: reclamation contract, small mine
cc: Beth Ericksen
Tom Munson
P:\GROUPS\MINERALS\WP\M023-Juab\S0230060-Milehigh\final\requestformrrc.doc



From: Origin ID: NPHA (801)538-5304
Vickie Southwick
Division Oil Gas Mining
1594 West North Temple Suite 1210

Salt Lake City, UT 84114



CL8022367/21/23

SHIP TO: (303)989-2748 **BILL SENDER**
WILLIAM CHIRNSIDE
WILLIAM CHIRNSIDE MILEHIGH 1
2157 SOUTH COLE CT

LAKEWOOD, CO 802284610

Ship Date: 27APR07
ActWgt: 1 LB
System#: 5414880/INET7011
Account#: S *****

Delivery Address Bar Code



Ref #
Invoice #
PO #
Dept #



STANDARD OVERNIGHT

MON

TRK# 7981 6209 5157

FORM
0201

Deliver By:
30APR07

DEN A1

80228 -CO-US

XH TADA



Shipping Label: Your shipment is complete

1. Use the 'Print' feature from your browser to send this page to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

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Bill & Donna Chirnside
2157 S Cole Ct
Lakewood CO 80228-4510

ST MAIL



State of Utah
Department of Natural Resources
Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

FIRST CLASS

84114+5801

